

## Financial Regulation: Weekly Update. 3 March 2017

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### GLOBAL

- [BIS publishes Basel III Monitoring Report](#)

Most [participating banks](#) meet CET1 requirement. TLAC shortfall for G-SIBs is reduced to €318 billion. Weighted LCR shows slight increase and NSFR remains similar to the last report.

- [CPMI-IOSCO guidelines to harmonize the Unique Transaction Identifier \(UTI\)](#)

The [report](#) provides technical guidance to authorities on setting rules for uniform UTIs. Their main objective is to uniquely identify OTC derivative transactions that must be reported.

- [FSB publishes conclusion from its meeting in Cape Town](#)

Discusses [findings](#) on the effect of post-crisis reforms, CCP linkages, UTIs, policy evaluation, misconduct risk, FinTech, IAIS work on systemic risk and climate-related financial disclosures.

### EUROPE

- [EC publishes White Paper on the future of the EU](#)

Presents 5 different [scenarios](#): i) carrying on, ii) nothing but the single market, iii) those who want more do more, iv) doing less more efficiently and v) doing much more together.

- [EBA publishes results of CRDIV /CRR/Basel III monitoring exercise](#)

Shows [further improvement](#) of capital positions and an increase in leverage ratio levels. LCR remains at the same level as in the previous report and NSFR shows a slight improvement.

- [EBA consults on coverage of entities in banking group recovery plans](#)

The aim is to [define](#) common criteria to identify entities (subsidiaries and branches) that need to be covered in group recovery plans. Deadline: 2 Jun.

- [EBA consults on draft RTS regarding the specification of an economic downturn](#)

Specifies the nature, severity and duration of [economic downturn](#) that banks use to estimate LGD and CV. Proposes methodological approach for identification. Deadline: 29 May.

- [EBA publishes its fourth report on recovery planning](#)

The [report](#) shows recovery plans improved but challenges remain. The objective is to help supervisors identify the crucial elements that banks need to consider in their recovery plans.

- [SSM publishes current guide to the Targeted Review of Internal Models](#)

[Sets](#) out views on appropriate supervision. Aims to ensure harmonised application of the legal framework and alignment with upcoming changes in the regulation on internal models.

- [ECB conducts interest rate sensitivity analysis of directly supervised banks](#)

[Stress test](#) aims to provide information on the impact of hypothetical interest rate shocks on the economic value of banks' equity and net interest income projections.

- [EBA updates its 2018 EU-wide stress test timeline](#)

It is preparing the [methodology and templates](#), taking into account the implementation of IFRS 9. It will be launched at the beginning of 2018 and results published in mid-year.

- [EIOPA publishes first risk dashboard based on Solvency II](#)

It summarises the main [risks and vulnerabilities](#) in the EU insurance sector based on data from 93 insurance groups through a set of risk indicators of the third quarter of 2016.

- [EIOPA updates documentation of methodology for calculating interest rate term structure](#)

[Updates](#) government bond tickers for Bulgaria, China, India, South Africa, Taiwan and Thailand, as well as transition matrices used to calculate fundamental spreads.

## SPAIN

- [Ministry of Economy consults on draft bill to overhaul market and competition supervision](#)

Proposes to create four new independent bodies to rationalise [and improve governance](#). Deadline: 17 Mar.

- [CNMV statement on variation margin deadline of 1 March under EMIR](#)

OTC [derivatives](#) exceeding certain limits are subject to exchange of collateral. CNMV will take into account implementation problems, but urges firms to comply fully.

## UNITED KINGDOM

- [FCA consults on reform package for equity IPO process](#)

It seeks to [improve](#) the scope and quality of information available to investors during an equity Initial Public Offering process. Deadline: 1 Jun.

- [FCA issues statement on the variation margin deadline of 1 March](#)

In assessing [compliance](#) it will follow a risk-based approach, judging the adequacy of progress, considering the credibility of implementation plans, but urging firms to comply.

- [PRA consults on Pillar 2A capital framework](#)

It seeks to [promote](#) competition by reducing disadvantages associated with the use of the Standardised Approach (mainly by smaller banks and building societies). Deadline: 31 May.

- [PRA issues policy statement regarding loan to income ratios in mortgage lending](#)

Provides [feedback](#) to responses to previous consultation, setting out the final rules for the loan to income flow limit on a four-quarter rolling basis.

- [PRA updates taxonomy to version 2.0](#)

Covers the requirements for financial statements as set out in PS 36/16, and the requirements for “forecast capital” reporting. Firms must now use this [taxonomy version](#).

Recent publications of interest (in English and Spanish):

- [Regulation Watch](#). White Paper on the future of Europe. March 2017
- [Regulation Watch](#). Newpackage of banking reforms. November 2016
- [Regulation Watch](#). Europe: TLAC implementation and MREL review. November 2016
- [Financial Regulation Outlook](#). January 2017
- [Digital Economy Outlook](#). January 2017

Previous editions of our Weekly Regulatory Update in [Spanish](#) and [English](#)

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